

# Section 2

## Central America

### READ TO DISCOVER

1. How does Central America's history continue to shape the region today?
2. What economic, political, and social conditions exist in the region?

### WHY IT MATTERS

Much of the food that we eat and clothing that we wear comes from Central America. Use [cnnfyi.com](http://cnnfyi.com) or other **current events** sources to learn about goods imported to the United States from Central America.

### DEFINE

indigenous  
mulattoes  
cacao  
ecotourism

### LOCATE

Panama Canal  
Colón  
Panama City

## History and Culture

Together, the seven countries of Central America are only about three fourths the size of Texas. However, the combined population of these small countries is almost double that of Texas. Their colonial history continues to shape the culture of these countries today.

*The Maya civilization included parts of present-day Guatemala, Belize, and Honduras. Tikal, in northern Guatemala, was a major Maya settlement that flourished between about A.D. 600 and 900.*



**Colonization and Independence** Nearly all of Central America's native, or **indigenous**, peoples were farmers when Spanish explorers arrived in the early





1500s. Over time, the Central American Indian population declined dramatically. One of the causes of this decline was the spread of European diseases. In addition, the Spaniards enslaved many Indians.

Early Spanish settlement spread from the Pacific coast into the highlands. Settlers built towns around central plazas and Roman Catholic churches. Climates along the Pacific were compatible with Spanish-style agriculture, and large estates developed. A few rich families owned the land, and most of the workers had no land rights. The Spaniards mostly ignored the Caribbean coast. British Honduras (what is now Belize) became the only non-Spanish colony in Central America. Eventually, Europeans brought enslaved Africans from the Caribbean islands to the area.

Independence came to Spanish Central America in the 1820s. Little changed, however. Spanish officials left, but wealthy families continued to run the countries and their economies. Foreign companies, mainly from the United States and Great Britain, built railroads to cross the isthmus. Coffee plantations were founded along with railroads and became very important to the region. Bananas also became an important commercial crop. Large American firms controlled the banana business.

In the early 1900s the United States built the Panama Canal across central Panama. This canal has been an important economic resource. It allows ships to move from the Atlantic Ocean and Caribbean Sea to the Pacific Ocean. The United States controlled the canal until turning it over to Panama in 1999.

**READING CHECK:** *Human Systems* Which European country had the greatest influence on Central America's development?



#### INTERPRETING THE VISUAL RECORD

Coffee is one of Guatemala's main export crops. It is grown mostly on large plantations in cool highland areas. To which countries do you think Guatemala exports coffee?

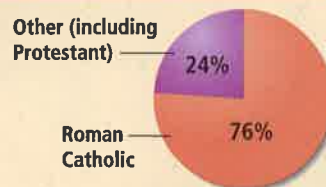
**People, Languages, and Religion** The legacy of the colonial past continues in Central America. Wealth is still concentrated in the hands of a small number of families. The Roman Catholic Church remains important. Spanish is the official language of all the region's countries except Belize, where English is spoken. Many Central American Indian languages are also spoken.

The majority of Central Americans are mestizos. Some are **mulattoes**, people with both African and European ancestors. Small groups of Asians and Africans also live in the region. These groups are largely descended from laborers brought to the region to work on the plantations.

Most of the region's Central American Indians live in Guatemala. That country's population is almost evenly split between mestizos and Indians. The other countries have much smaller Indian populations. The populations of El Salvador, Honduras, Nicaragua, and Panama are overwhelmingly mestizo. Indians live on the Caribbean sides of Nicaragua and Panama. People of African descent are a significant group in Belize and Panama.

Costa Rica's people are mostly of Spanish descent. Few Central American Indians lived in the area when European colonists first arrived. As a result, the colonists did not have local labor to develop large estates. Instead, small family farms developed in this country.

#### Religions in Costa Rica



Source: The DK World Desk Reference

#### INTERPRETING THE GRAPH

Roman Catholicism is Costa Rica's main religion. How might the importance of Catholicism in Costa Rica be visible in the country's landscapes?





The Belize Barrier Reef is the largest coral reef in the Western Hemisphere, extending for more than 180 miles (290 km) along the country's coast. The reef is home to manatees, crocodiles, sea turtles, and more than 500 species of fish.

Belize was the last to gain independence in 1981. People of African descent who speak English live along the coast. The inland forests include both Indians and Spanish-speaking settlers from Mexico and Guatemala.

✓ **READING CHECK:** *Human Systems* What ethnic group has shaped the social character of Central America and makes up a majority of its population today?

## Economic, Political, and Social Development

Central America continues to depend heavily on the export of coffee and bananas. Sugar, cotton, and **cacao** are also important commercial crops. Cacao is a type of tree from which we get cocoa beans. Those beans are then used to produce chocolate.

The influence of American and other foreign companies on these and other industries remains strong. In most countries, wealthy families have long had ties to foreign companies and to their own country's army. Such ties have often enabled these families to run their countries for their own benefit. However, population growth has strained this arrangement. As the people's need for land and demand for more political power have increased, unrest and violence have arisen. Many Central Americans have immigrated to the United States to escape these economic and political problems.

### INTERPRETING THE VISUAL RECORD

*Subsistence agriculture is common in the highlands of El Salvador. Based on the photo, what type of economic system do you think El Salvador has?*

**Reform and Development** The need for land reform has been an important problem in the region. In El Salvador, for example, rich landowners control most of the land. They raise cash crops on large profitable estates. However, most Salvadorans are poor subsistence farmers. They survive by raising corn and beans on small farms. Similar inequalities have troubled





Nicaragua. As a result, both countries suffered through long periods of violence and civil war, particularly in the 1970s and 1980s. With these countries now at peace, their governments have a chance to build fairer societies. In fact, El Salvador and Nicaragua have both made important economic progress in recent years.

Guatemala, which has also suffered through long periods of violence and unrest, has attempted land reform. Market-oriented agriculture exists along the country's Pacific coast. Meanwhile, more than half of all Guatemalans live and farm in isolated highland villages. In nearby market towns, they sell what few goods they do not consume. Migrants to the country's northern lowland plains have found some useful land there. However, these migrants are burning forest areas, including national parkland, to clear land for farming.

To some, Panama seems like three different countries in one. In the east, toward South America, is a densely forested region with few people. In the middle lies a more prosperous area surrounding the Panama Canal. The cities at each end of the canal—Colón on the Caribbean and Panama City on the Pacific—are major industrial centers. The country's western areas are more rural, and both small farms and large plantations are common.

Coffee is particularly important to the economies of Honduras, Guatemala, Panama, and Costa Rica. Rugged mountains and valleys dominate Honduras. The rough terrain makes transportation and large-scale farming difficult. As a result, economists often regard Honduras as Central America's least-developed country. Costa Rica, on the other hand, has the highest standard of living in the region. Costa Rica's tradition of democracy, education, and political stability has recently attracted investments by foreign computer companies. Computer chips are now a major export. Costa Rica has also been a leader in developing tourism.

✓ **READING CHECK:** *Human Systems* Which country has the highest standard of living in the region? What are some reasons for this?

## FOCUS ON ECONOMICS

**Ecotourism in Costa Rica** One key to Costa Rica's successful tourism industry is the country's natural beauty. Would you pay to sit on a beautiful white-sand beach, where the rain forest extends nearly to the water's edge? Would you pay to walk in a misty mountain forest, surrounded by exotic birds? These are just two of many opportunities to get truly close to nature in Costa Rica.



### INTERPRETING THE VISUAL RECORD

*The Panama Canal, completed in 1914, is one of the most strategic artificial waterways in the world. How do you think the Panama Canal caused changes in world trade patterns?*

*A hiker in Costa Rica*





## INTERPRETING THE VISUAL RECORD

Visitors to Monteverde cloud forest in Costa Rica can explore the area's incredible diversity of plant and animal life by walking across suspension bridges located high in the rain-forest canopy. **How can ecotourism help promote economic development and environmental conservation at the same time?**



In the mid-1980s, Costa Rica found a way to make money and protect its natural environment at the same time. Its solution was **ecotourism**. This type of tourism focuses on guided travel through natural areas and on outdoor activities. It allows visitors to observe wildlife and learn about the environment. Today protected public or private nature preserves make up nearly 25 percent of Costa Rica's area. For a fee, people can tour these preserves with a naturalist who is an expert on the area's animals, plants, and physical geography.

Ecotourism has provided tremendous economic benefits to Costa Rica. Hotels and other businesses have sprung up around the preserves, providing jobs for the local people. The cost of tours also provides income for the economy. Today tourism is Costa Rica's leading industry. About two thirds of the country's vacationers are ecotourists.

✓ **READING CHECK: Environment and Society** How is Costa Rica's natural beauty a valuable resource? What policies have helped the country protect this resource?



## Review

**Define** indigenous, mulattoes, cacao, ecotourism

**Working with Sketch Maps** On the map you created in Section 1, label the Panama Canal, Colón, and Panama City. Why has the Panama Canal been an important economic resource?

### Reading for the Main Idea

1. **Human Systems** What evidence of Spanish colonization remains in Central America today?

2. **Environment and Society** How is the practice of agriculture similar in El Salvador, Guatemala, and Panama?

### Critical Thinking

3. **Identifying Cause and Effect** Why do you think the region surrounding the Panama Canal is generally prosperous and industrial?
4. **Drawing Inferences and Conclusions** How do patterns of land use in Central America affect social, economic, and political conditions in the region?



### Organizing What You Know

5. Copy the chart below. Use it to describe and compare the ethnic makeup of the Central American countries.

Belize	
Costa Rica	
El Salvador	
Guatemala	
Honduras	
Nicaragua	
Panama	